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AVIATION SERVICES COMPANY AND ITS OWNER CHARGED WITH ILLEGAL EXPORTS TO IRAN AND ITS GOVERNMENT

WASHINGTON— A Dutch aviation services company, its owner, and two other firms have been charged in a criminal complaint in the District of Columbia with illegally exporting aerospace grade aluminum, aircraft components, and other equipment from the U.S. to Iran and the government of Iran in violation of U.S. embargoes. The defendants also have been charged with making false statements on export control documents.

The announcement was made today by Kenneth L. Wainstein, Assistant Attorney General for National Security, Jeffrey A. Taylor, U.S. Attorney for the District of Columbia, and Mario Mancuso, Under Secretary of Commerce for Industry and Security. The investigation was conducted by agents from the Department of Commerce's Office of Export Enforcement and the Department of Homeland Security's U.S. Immigration and Customs Enforcement (ICE), with assistance from the Defense Criminal Investigative Service (DCIS) and the FBI.

The defendants named in the complaint, which was recently unsealed, are Aviation Services International, B.V., an aircraft parts supply company located in the Netherlands, and the company's owner Robert Kraaiipoel. Two additional Dutch companies, Delta Logistics L.V., and TPC, B.V., which are owned by Kraaiipoel's son, are also listed as defendants. An arrest warrant has been issued for Kraaiipoel, who is a citizen of the Netherlands and believed to be residing there. Dutch Customs officials are also conducting an inquiry into Kraaiipoel's business practices.

According to the criminal complaint, Dutch Customs officials have informed U.S. officials in the Netherlands that, in 2006 alone, Aviation Services obtained more than 290 items, including parachutes, aircraft parts, aircraft paints, and industrial chemicals, from the United States and caused them to be shipped or transported to Iran.

Dutch Customs officials have further reported that many of these U.S.-origin goods were sent to Iranian government agencies, Iranian procurement agencies or companies doing business in Iran, including Heavy Metals Industries in Tehran, Iran Aircraft Industries in Tehran, and Iran Helicopter Support and Renewal Co. in Tehran.

In carrying out this scheme, Aviation Services International and Kraaiipoel attempted to use and did use entities in the Netherlands, Cyprus, and Dubai, that were owned or controlled by Kraaiipoel, to pose as end users for U.S.-origin goods, when, in fact, the goods were being re-exported to Iran, according to the criminal complaint. Purchases were made from U.S. companies in several states, including Arizona, Connecticut, Florida, Kansas, and New Hampshire.

The criminal complaint alleges that Aviation Services and Kraaiipoel made false statements in November 2005 and January 2006 when they certified that U.S.-origin aviation communications equipment with potential applications in Unmanned Aerial Vehicles was being sent to the Poland Border Control Agency, when, in reality, the equipment was being sent to Iran.

The complaint also details a January 2007 attempted shipment to Iran of U.S. aircraft parts, including airspeed indicators and navigation equipment; as well as a March 2007 attempted export of U.S.-origin polyimide film to Iran; and an April 2007 shipment of U.S.-origin aerospace grade aluminum bound for Iran and detained in the Netherlands.

Under the International Emergency Economic Powers Act and the Iranian Transaction Regulations, all exports to Iran of U.S.-origin commodities are prohibited absent authorization in the form of an export license from the Office of Foreign Assets Control (OFAC) of the Department of the Treasury. It is also unlawful to ship U.S. origin products to a third country and then re-export them to Iran without the necessary authorization from OFAC. These prohibitions have been in place since 1995.

“This investigation demonstrates in very clear terms the threat we face from the illegal foreign acquisition of U.S. technology. Keeping America’s critical technology from falling into the hands of state sponsors of terror has never been more important,” said Assistant Attorney General Wainstein.

“These charges demonstrate that our office will vigorously enforce the trade embargo regulations that protect our national security, diplomatic and economic interests. Let this be a warning to those who would seek to profit from trade with embargoed countries,” said United States Attorney Taylor.

“This case illustrates that U.S. Government Iran sanctions program encompasses many agencies working together to ensure that the sanctions are being implemented and enforced to the fullest extent possible under existing laws and regulations. The case also is an excellent example of how we work with our partners overseas to identify foreign entities that seek to evade U.S. export control laws to divert U.S.-origin goods to Iran,” said Under Secretary of Commerce for Industry and Security Mario Mancuso.

The maximum penalty for violating the trade embargo on Iran is twenty years imprisonment, a fine of \$250,000, or both, and three years supervised release for natural persons and, for corporations, a \$500,000 fine. The maximum penalty for filing false documents is five years imprisonment, a fine of \$250,000, or both, and a term of three years supervised release.

Assistant Attorney General Wainstein, U.S. Attorney Taylor, and Under Secretary Mancuso praised Senior Special Agent David Poole from the Department of Commerce Office of Export Enforcement, the ICE Special Agents who participated, as well as Special Agent Michael Campion from DCIS, and Special Agent B. Reed Wilson from the FBI, for their thorough investigation.

The prosecution is being handled by Assistant U.S. Attorney Steven Pelak, as well as Trial Attorney Ryan Fayhee from the Counterespionage Section of the Justice Department's National Security Division.

A criminal complaint is merely a way of bringing charges against an individual. All persons charged with a crime are presumed innocent until proven guilty.

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